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SURREY
COUNTY COUNCIL

Supplementary Agenda

for the Budget meeting of

THE COUNTY COUNCIL

to be held on

9 FEBRUARY 2021

5 **2021/22 FINAL BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2025/26** (Pages 5 - 22)

Council is asked to approve the 2021/22 Final Budget and Medium-Term Financial Strategy to 2025/26.

- Leader's Statement (Budget) - *to be appended to the minutes.*

Reports included -

Budget proposal and amendments to recommendations: Mr Chris Botten

Budget proposal and amendments to recommendations: Mr Jonathan Essex

7 **MEMBERS' QUESTION TIME** (Pages 23 - 36)

The Leader of the Council or the appropriate Member of the Cabinet or the Chairman of a Committee to answer any questions on any matter relating to the powers and duties of the County Council, or which affects the county.

Report included - Member questions and responses.

12 **MINUTES OF CABINET MEETINGS** (Pages 37 - 58)

Any matters within the minutes of the Cabinet's meetings, and not otherwise brought to the Council's attention in the Cabinet's report, may be the subject of questions and statements by Members upon notice being given to Democratic Services by 12 noon on Monday 8 February 2021.

Report included - Minutes of the Cabinet meeting held on 26 January 2021

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MEETING OF THE COUNTY COUNCIL

9 FEBRUARY 2021

ITEM 5 - 2021/22 FINAL BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2025/26

Amendment to the recommendations proposed by Mr Chris Botten, seconded by Mr Will Forster

Supporting information:

The amendment seeks to recognise that there is considerable frustration in Local and Joint Committees that there are £50m worth of capital schemes including road safety, which have been proposed by local elected members which are unfunded; it is our contention that road safety schemes in particular are under-funded, relying on members seeking Parish Council and other sources to provide speeding signs or other measures, leaving local members frustrated and residents puzzled by the inadequacy of funding.

Accordingly, we are proposing a Road Safety Fund to provide revenue and capital to provide 11 significant road safety schemes in line with the priorities set by each local/joint committee.

The full year effect of this fund is set out in the table below:

	Grade	**Quantity**	**Cost**	**Total Cost**	**Revenue**	**Capital**
			£	£	£	£
Staff						
1 x PS11 or 12 Team Leader	PS12	1	71,392	71,392		
2 x PS10 or 11 Project Managers	PS10	2	53,241	106,482		
6 x PS9 Engineers	PS9	6	46,685	280,110		
4 x PS7-9 PDP Engineers	PS8	4	41,089	164,356		
1 x PS 10 Comms &	PS10	1	53,241	53,241		

Engagement Lead						
1 x PS 7 Comms and Engagement Officer	PS7	1	36,179	36,159		
Total				**711,760**	**431,650**	**280,110**
Scheme development (outsourced)		11	75,000	825,000	825,000	
Construction		11	500,000	5,500,000		5,500,000
Total				**7,036,760**	**1,256,650**	**5,780,110**

The estimated cost of 11 schemes per year would be £1.3m revenue and £5.8m capital per annum. That would need to be scaled back for 2021/22, by 50% to recognise the lead in time, so £0.6m revenue and £2.9m capital in year one.

The scheme development element of the revenue cost (£0.8m) should be charged to the Corporate Feasibility budget and subsequently capitalised when the scheme went ahead.

The remaining revenue costs, £0.5m, along with the £0.2m revenue cost of the additional borrowing, to be funded from the Contingency Reserve.

Recommendations:

(amended wording in bold and underlined)

Following the Cabinet Meeting on 26 January 2021, the recommendations to Council on 9 February 2021 are:

To note the following important features of the revenue and capital budget, and in line with Section 25 of the Local Government Act 2003:

1. The Executive Director of Resources' (Section 151 Officer) conclusion that estimates included in the Final Budget Report and Medium-Term Financial Strategy are sufficiently robust in setting the budget for 2021/22; and

2. That it is the view of the Executive Director of Resources (Section 151 Officer), that the level of reserves is adequate to meet the Council's needs for 2021/22. These reserves include the following amounts, (totalling ~~£91.9m~~ **£91.5m**) set aside specifically to provide financial resilience:

- a General Fund Balance of £24.2m;
- a budget contingency of ~~£20.4m~~ **£20.0m** with an estimated £33.4m brought forward;
- a specific contingency for the impact of Covid-19 of £4.9m; and
- a provision of £9m to meet risks in delivering the Dedicated Schools Grant – High Needs Block cost containment plan.

Proposed budget: Cabinet recommends that County Council approve the following Revenue and Capital budget decisions:

3. Approves the net revenue budget requirement be set at £1,003.6 million (net cost of services after service specific government grants) for 2021/22 (Annex B), subject to confirmation of the Final Local Government Financial Settlement;

4. Approves the total Council Tax funding requirement be set at £777.6 million for 2021/22. This is an increase of 2.49%, made up of an increase in the level of core Council Tax of 1.99% to cover core Council services and an increase of 0.5% in the precept proposed by Central Government to cover the growing cost of Adult Social Care (Annex E);

5. Notes that for the purpose of section 52ZB of the Local Government Finance Act 1992, the Council formally determines that the increase in core Council Tax is not such as to trigger a referendum (i.e. not greater than 2%);

6. Sets the Surrey County Council precept for Band D Council Tax at £1,549.08, which represents a 2.49% uplift. This is a rise of £0.72 a week from the 2020/21 precept of £1,511.46. This includes £139.01 for the Adult Social Care precept, which has increased by £7.55.

7. Agree to maintain the Council Tax rate set after the Final Local Government Finance Settlement;

8. The Council Tax for each category of dwelling as set out in the table below:

Valuation band	Core precept	ASC precept	Overall precept
A	£940.05	£92.67	£1,032.72
B	£1,096.72	£108.12	£1,204.84
C	£1,253.40	£123.56	£1,376.96
D	£1,410.07	£139.01	£1,549.08
E	£1,723.42	£169.90	£1,893.32
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G	£2,350.12	£231.68	£2,581.80
H	£2,820.14	£278.02	£3,098.16

9. The payment for each billing authority, including any balances on the Collection Fund, as set out in Annex E;

10. Delegate powers to the Leader and Executive Director of Resources (Section 151 Officer) to finalise budget proposals and recommendations to County Council, updated to take into account new information in the Final Local Government Finance Settlement;

11. The Flexible Use of Capital Receipts Strategy for 2021/22 to meet the statutory guidelines for the use of such receipts to fund transformation and the move back into the County (Annex F);

12. The Total Schools Budget of £537.3 million to meet the Council's statutory requirement on schools funding;

13. The overall indicative Budget Envelopes for Executive Directorates and individual services for the 2021/22 budget (Annex B); and

14. The total ~~£1.905~~ **£1.931** billion proposed five-year Capital Programme (comprising ~~£1,026.2m~~ **£1,052.3m** of budget and £879.2m pipeline) and approves the ~~£184.9~~ **£187.8** million capital budget in 2021/22 (Annex C).

Capital and Investment Strategies: Cabinet recommends Council to approve the following:

15. The Capital and Investment Strategy (Annex G), which provides an overview of how risks associated with capital expenditure, financing, treasury and commercial investments will be managed as well as how they contribute towards the delivery of services; and

16. The policy for making a prudent level of revenue provision for the repayment of debt (the Minimum Revenue Provision (MRP) Policy) (Annex I)

Section 151 Officer commentary:

The capital and revenue costs set out in this proposal have been developed in consultation with officers from Highways and Transport and Finance. The proposal is deemed to be viable and within the legal powers of the Council to implement.

The proposal recommends the use of £0.4m of contingency in 2021/22 growing to £0.7m from 2022/23 to provide for the revenue cost of delivering the schemes and the cost of additional borrowing. Although the Section 151 officer does not object to the proposal, caution is advised on the diversion of the contingency to any purpose other than the mitigation of financial risks.

Despite making good headway with building earmarked reserves and contingencies, the uncertain impact of Covid-19 coupled with the expectation of significantly

reduced funding over the medium-term means that retention of the Council's Reserves will be essential in order to mitigate risk and provide sustainability and resilience in the delivery of services.

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MEETING OF THE COUNTY COUNCIL

9 FEBRUARY 2021

ITEM 5 - 2021/22 FINAL BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY TO 2025/26

Amendment to the recommendations proposed by Mr Jonathan Essex, seconded by Mr Robert Evans

Supporting information:

This document sets out individual budget proposals in two areas within Surrey County Council's direct responsibility – transport and buildings, including some schools, which are outside of Surrey's budget control.

The concept of a Surrey Decarbonisation Fund is presented as a blueprint for initiatives that could scale from financing school improvements to drive change in other areas.

Table 1. Summary of budget proposals

Proposal	2021-2022 revenue budget impact
Transport: Dedicated Cycle Route Planners	£93,000
Transport: Safe Routes to Schools and support for 20mph low traffic neighbourhoods across Surrey	£175,000
Transport: Electric Fleet Replacement Programme	£0
Buildings: Extend the Zero Carbon Buildings Programme	£60,000
Buildings: Energy retrofit and renewable energy for every school in Surrey	£314,000
Surrey Decarbonisation Fund (develop in-house)	n/a
Total	**£642,000**

Details of these funding proposals are set out in the sections below.

1. Transport Proposals

1.1 Dedicated Cycle Route Planners (2 No.)

This amendment highlights the need for in-house expertise in cycling planning within Surrey County Council. Having this resource last year could have more than paid for itself by avoiding Surrey losing out in the Active Travel Fund from central government by £1.2 million, around 12 times the average of all other councils.[1] These posts would enable the Council to strengthen its in-house expertise and better support proactive proposals from residents, including those posted on the 'Active Travel in Surrey's towns and villages' map[2] and through accelerating the production and implementation of Local Cycling and Walking Infrastructure Plans (LCWIPs) for all of Surrey's boroughs and districts.

Budget Proposal and Impact

2 dedicated Cycle Transport Planner posts, grade PS9 (one for East and one for West Surrey).

Total revenue cost impact £93k/year.

1.2 Safe Routes to Schools and support for 20mph low traffic neighbourhoods across Surrey

Many Surrey schools have unmet 'asks' for travel plan funding to make it safer and easier for children to walk and cycle to school. Schools in the middle of residential areas could be 'low traffic neighbourhoods', enabling children to walk and cycle safely all the way from home to school. Wider benefits including reducing the number of people killed and injured and reduced air pollution are set out in a recent study by Hammersmith and Fulham Council.[3] Development of these proposals would require a strengthened road safety and walking and cycling capacity within the council, and enable capital funding to be reprioritised into these areas.

This improvement of measures around schools should then be matched by strengthening the School Travel team, so that it has the capacity to engage with all

[1] Surrey was in the bottom third of councils in terms of securing the money allocated to them by government. See comparison at https://docs.google.com/spreadsheets/d/1cm58W8TkWe_fGCBKCnqlrOUOjW_F-pv-xQ5yY5hdNes/edit.
[2] See https://surreycovidtransportmap.commonplace.is.
[3] See study commissioned by the London Borough of Hammersmith and Fulham - https://www.lbhf.gov.uk/sites/default/files/section_attachments/20mph-speed-limit-public-health-report.pdf.

schools, and setting up innovative new ways of working such as a *peer-to-peer support programme*[4] so schools better support and raise standards between themselves.

Budget Proposal and Impact

Expand Surrey's School Travel Team. Two additional Safe Travel Officers (grade PS8, £41k) = £82k.

Two additional Road Safety Engineers (grade PS9, £46.5k) to strengthen capacity for low traffic neighbourhoods and associated road safety improvements. = £93k

Total budget cost: £175k

1.3 Electric Fleet Replacement Programme

Surrey County Council has committed to be zero carbon as an organisation by 2030. Vehicles typically have a 10-year life. Surrey County Council plans to replace 70 vehicles over the next 10 years. Replacing these (excluding fire engines) with 100% electric vehicles will require the capital budget for vehicle replacements to be increased but the extra cost will be fully recovered through revenue savings, because fuel and maintenance costs will be reduced. This investment would first target vehicles with the shorter average daily mileage and then rollout to the full fleet as the range of EVs grows.

Table 1. Comparison of Highway Diesel and Electric Van costs

Source: Surrey County Council, 2021.

	Diesel	**Electric**
Purchase Cost	20,000	35,000
Useful Life (years)	10	10
Working Days per year	260	260
Annual Mileage	26,000	26,000
Depreciation	£2,000	£3,500
Annual average interest cost	£169	£295
Fuel / Charge cost (per year)	£3,380	£962
Maintenance (per year)	£678	£450
Total Cost	**£6,227**	**£5,207**
Premium (saving) per year per van		**(£1,019.49)**

[4] Such as has been developed for foster carers in Surrey through the Mockingbird programme.

Note: Battery replacement from eight years so may reduce some of this saving.

Budget Proposal and Impact

Replace all vehicles with electric vehicles from 2021-22.

Increase capital budget cost by an average of £110k a year plus cost of installing additional electric vehicle charging points at three highway depots. This will be fully recovered by revenue cost savings.

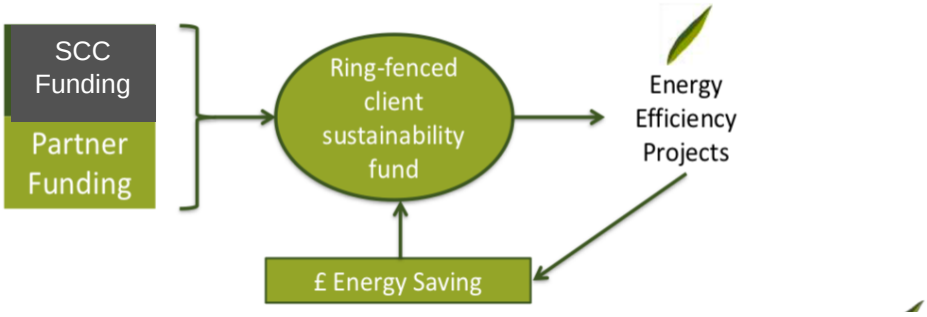
Budget impact = £0, positive over the Medium-Term Financial Strategy (MTFS) period.

2. Extend the Council's Zero Carbon Buildings Programme

2.1 Surrey's Own Estate

Surrey County Council is developing a revolving fund to retrofit its building stock (see Figure 1). Such a fund could receive (limited) matched funding from the government's Salix fund, however the government currently provides only £200,000 to each public body each year.[5]

Figure 1. A Revolving Fund to Decarbonise Surrey



Adapted from https://www.apse.org.uk/apse/assets/File/Salix%20Finance%2021-01-2019.pdf

A survey of the 11 significant council-owned buildings has identified £4.9 million of improvements through solar PV, loft insulation and air source heat pumps, with a carbon saving of 689 tonnes. The 2021-22 budget has allocated £2.5m over the next three years. This should target delivery of a wider scope of measures on these 11

[5] See https://www.salixfinance.co.uk/loans/SEEF.

buildings and expand to include the rest of the Surrey County Council's estate. The provision of renewable energy (mainly solar PV) could be funded separately to the Council, as described for schools below.

Budget proposal: Increase revolving fund budget from £2.5 to £10m over four years. This would increase costs from £1m to £2.5m in 2021-22; £1m to 2.5m in 2022-2023 and £0.5m to £2.5m in 2023-24, with £2.5m in 2024/25.

Revenue Budget impact: 4% of £1.5m capital increase in 2021-22 **= £60,000.**

2.2 Energy Retrofit and Renewable Energy every school in Surrey

This proposal seeks to address a funding challenge in that schools could individually apply to the government for Salix funding for some energy improvements, but generally don't as they don't own the assets, and likewise Surrey County Council has tended not to apply, as the energy savings result in cost savings for others or out of different funding pots. Similarly, while there is strong public support for rooftop solar, this is not maximised on Surrey's school estate.

Furthermore, mainly schools have a significant carbon footprint from their heating (typically oil- or gas-fired; and poorly insulated) which may also require government support to retrofit.

As a result of this complexity (and other priorities, including related to COVID-19) much less is being done than could be. This is at odds with the Council's commitment to reduce its own carbon footprint to net zero by 2030. Yet Surrey has a formidable property team with energy expertise and a climate change team in-house. And the Schools Energy Co-operative formed to put renewable energy (mainly solar panels) into schools was started and is based here in Surrey. This proposal is for Surrey County Council to leverage its existing climate, energy and asset management expertise to provide a step change in decarbonising our schools.

<u>How this applies to the school estate</u>

Almost all of Surrey's state school buildings are owned by Surrey County Council. The maintained schools would generate energy savings direct to the Council. Careful consideration will be needed to structure the capital investment to ensure that

borrowing costs usually met from the General Fund were recovered from energy savings in the Dedicated Schools Grant.

The non-maintained schools (typically operated by academies or the diocese) are no longer recognised on the Surrey County Council balance sheet due mainly to long-lease arrangements, so a side-contract would be required to support repayment to either Salix or Surrey County Council, as determined.

Finance for renewable energy would be secured separately (and is not included within the scope of the government's Salix fund). This could be through the Surrey-based Schools Energy Co-op,[6] and provide an opportunity for Surrey residents to invest (with a secure return on investment) in Surrey's schools. A similar arrangement should be considered for renewable energy investment on Surrey-owned buildings as outlined above.

The combination of potential cost benefits and obligations to address the Climate Emergency merits a feasibility study that will provide the Council to make informed decisions – and a benchmarked framework to assess and enable future projects.

Phase 1 – Opportunity Benchmarking and Programme Design (6 months)

Opportunity-sizing: A high-level feasibility study to determine what combination of building fabric/insulation improvements, renewable energy, building controls, lighting and heating systems should be invested in for different types of school.[7] This could be extended through grant funding and/or targeted capital investment to subsidise items that are near commercial viability.

As part of this Programme, there should be a review of the lease terms and the mechanisms for sharing the savings between school/direct schools grant and the Council to motivate participation and ensure schools 'pay as they save'. This would mean some of the long-term financial benefits are returned to the County Council and some to the schools themselves.

Together, this will produce a benchmarked programme and menu of options for different schools to invest in, and limit exposure to risk by ensuring that sufficient due diligence is in place prior to Phase 2.

[6] See https://schools-energy-coop.co.uk.
[7] A current Council commissioned study of 25 schools would complement this feasibility work.

Phase 2 – Investment Grade Audits and Implementation (24 months)

Follow-up with an investment grade audit of each school, to target the opportunity areas identified in the high-level appraisals and set out the specific investment case for each individual school. These audits would be classed as capital expenditure since the output would be a developed plan and specification for the works to be undertaken. Secure agreement for clusters of schools (e.g. different types of schools, grouped by age and heating system). Secure funding agreements either through Salix and/or a Surrey-owned revolving fund (as noted for Surrey's own estate above). This could also make procurement and contracting easier, and creates an opportunity for the County Council to include BCorp certified suppliers*[8] that can demonstrate the highest standards of social and environmental performance, to give best value to County residents.

The audits would focus upon all priorities for carbon reduction (not just solar PV and ASHP) and include a menu of opportunities such as building controls, insulation, glazing improvements, solar thermal, heat recovery, heating rezoning, voltage regulation, power factor control, etc.

Table 2. Breakdown of Costs to Survey School Estate

Source: Surrey County Council, 2021.

			High level appraisals across targeted schools (revenue budget) 2021-2022		Investment grade audit surveys/ development (capital budget) 2021-2024
		Total No.	Appraisal no.	Total cost	Total cost
Primary Schools	Maintained	131	13	31,200	1,048,000
	Not maintained	177	18	43,200	1,416,000
		308	**31**	74,400	2,464,000
	Maintained	28	6	38,400	448,000

[8] See https://bcorporation.uk/certification.

Secondary Schools	Not-maintained	57	11	70400	912,000
		85	**17**	108,800	1,360,000
	Total	393	48	183,200	3,824,000

Notes:

1. High-level appraisal proposed for 1 in 10 primary schools and 1 in 5 secondary schools. Investment grade audit for all schools.

2. High level appraisal estimated at £3k/primary school and £8k/secondary.

3. Survey costs for investment grade audit estimated at £10k/primary school and £20k/secondary.

4. 20% Efficiency saving for contracting across full estate.

Budget summary

Phase 1. £183k (all revenue costs, as noted in table above).

Phase 2. Survey costs: £956k in 2021-22, £1912k in 2022-23, £956k in 2023-24.

Capital costs to follow from surveys.

Cost in 2021-23 = 4% of £956k survey cost (capital budget) = £38k.

Staffing: 1FTE @ P12 grade (£70k), 0.5 FTE @ P9 grade (£23k) = £93k

Budget impact for 2021-22 = £314k, 2022-23 = £165k, 2023-24 = £129k.

Indicative pipeline of implementation costs: c. £100 million.

This proposal should be seem as additional to a basic maintenance programme to ensure we are sustaining the asset life and value of our school estate.

3. Surrey Decarbonisation Fund

The Schools proposal above shows the potential for Surrey County Council to cost-effectively and transparently maximise efforts for the rest of the public sector in Surrey to decarbonise, to match the Council's own ambition for net zero.

It demonstrates how the Council could create a visible and repeatable process of how it can lead in driving decarbonisation beyond its own assets and direct responsibilities. Through agreed standards and viable financing mechanisms, the County Council can look forward and plan a full decarbonisation plan across the country, with the Council taking a pivotal role. This approach would benefit from scaling efficiencies, developing new procurement processes that encourages Best Practice from suppliers, and would strengthen local businesses, creating new jobs across Surrey.

This could also bring in government finance (Salix, research and innovation funding) and provide a pathway to fund renewable energy schemes and an assured framework to leverage pension/private sector finance and ambition across Surrey.

The fund would be supported by a modest dedicated officer team but otherwise be cost neutral, operating as a circular fund where areas that generate a surplus can cross-subsidise areas that require policy change, demonstration and scale-up to become fully commercially viable.

Recommendations:

(amended wording in bold and underlined)

Following the Cabinet Meeting on 26 January 2021, the recommendations to Council on 9 February 2021 are:

To note the following important features of the revenue and capital budget, and in line with Section 25 of the Local Government Act 2003:

1. The Executive Director of Resources' (Section 151 Officer) conclusion that estimates included in the Final Budget Report and Medium-Term Financial Strategy are sufficiently robust in setting the budget for 2021/22; and

2. That it is the view of the Executive Director of Resources (Section 151 Officer), that the level of reserves is adequate to meet the Council's needs for 2021/22. These reserves include the following amounts, (totalling **~~£91.9m~~ £91.3m**) set aside specifically to provide financial resilience:

   - a General Fund Balance of £24.2m;
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   - a specific contingency for the impact of Covid-19 of £4.9m; and
   - a provision of £9m to meet risks in delivering the Dedicated Schools Grant – High Needs Block cost containment plan.

Proposed budget: Cabinet recommends that County Council approve the following Revenue and Capital budget decisions:

2. Approves the net revenue budget requirement be set at £1,003.6 million (net cost of services after service specific government grants) for 2021/22 (Annex B), subject to confirmation of the Final Local Government Financial Settlement;

3. Approves the total Council Tax funding requirement be set at £777.6 million for 2021/22. This is an increase of 2.49%, made up of an increase in the level of core Council Tax of 1.99% to cover core Council services and an increase of 0.5% in the precept proposed by Central Government to cover the growing cost of Adult Social Care (Annex E);

4. Notes that for the purpose of section 52ZB of the Local Government Finance Act 1992, the Council formally determines that the increase in core Council Tax is not such as to trigger a referendum (i.e. not greater than 2%);

5. Sets the Surrey County Council precept for Band D Council Tax at £1,549.08, which represents a 2.49% uplift. This is a rise of £0.72 a week from the 2020/21 precept of £1,511.46. This includes £139.01 for the Adult Social Care precept, which has increased by £7.55.

6. Agree to maintain the Council Tax rate set after the Final Local Government Finance Settlement;

7. The Council Tax for each category of dwelling as set out in the table below:

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8. The payment for each billing authority, including any balances on the Collection Fund, as set out in Annex E;

9. Delegate powers to the Leader and Executive Director of Resources (Section 151 Officer) to finalise budget proposals and recommendations to County Council, updated to take into account new

information in the Final Local Government Finance Settlement;

10. The Flexible Use of Capital Receipts Strategy for 2021/22 to meet the statutory guidelines for the use of such receipts to fund transformation and the move back into the County (Annex F);

11. The Total Schools Budget of £537.3 million to meet the Council's statutory requirement on schools funding;

12. The overall indicative Budget Envelopes for Executive Directorates and individual services for the 2021/22 budget (Annex B); and

13. The total **~~£1.905~~ £1.917** billion proposed five-year Capital Programme (comprising **~~£1,026.2m~~ £1,026.8m** of budget and **~~£879.2m~~ £890.5m** pipeline) and approves the **~~£184.9~~ £185.0** million capital budget in 2021/22 (Annex C).

Capital and Investment Strategies: Cabinet recommends Council to approve the following:

14. The Capital and Investment Strategy (Annex G), which provides an overview of how risks associated with capital expenditure, financing, treasury and commercial investments will be managed as well as how they contribute towards the delivery of services; and

15. The policy for making a prudent level of revenue provision for the repayment of debt (the Minimum Revenue Provision (MRP) Policy) (Annex I)

Section 151 Officer commentary:

The capital and revenue costs set out in this proposal have been developed in consultation with officers from Highways and Transport, Environment, Property and Finance. The proposal is deemed to be viable and within the legal powers of the Council to implement.

The proposal for energy retrofit and renewable energy for Surrey schools should, if approved, be held in the Capital Pipeline pending the approval of a full business case. The cost of developing the proposals for individual schools can be capitalised if the works go ahead. In order to avoid the risk of abortive costs in developing interventions that are not pursued; commitment to proceed with viable works should be sought in advance. As is recognised in the proposal, the programme would need to be structured to ensure that savings from reduced energy costs (typically benefiting Dedicated Schools Grant budgets) can be offset against the borrowing cost of the agreed interventions (typically charged to the General Fund).

The revolving fund which this proposal expands is already held within the pipeline.

The proposal recommends the use of £0.6m of contingency in 2021/22 (growing from 2022/23 to cover additional borrowing) to provide for the revenue cost of delivering the schemes and the cost of additional borrowing. Although the Section 151 officer does not object to the proposal, caution is advised on the diversion of the contingency to any purpose other than the mitigation of financial risks.

Despite making good headway with building earmarked reserves and contingencies, the uncertain impact of Covid-19 coupled with the expectation of significantly reduced funding over the medium-term means that retention of the Council's Reserves will be essential in order to mitigate risk and provide sustainability and resilience in the delivery of services.

SURREY COUNTY COUNCIL

TUESDAY 9 FEBRUARY 2021

QUESTIONS TO BE ASKED UNDER THE PROVISIONS OF STANDING ORDER 10.1

TIM OLIVER, LEADER OF THE COUNCIL

1. MRS HAZEL WATSON (DORKING HILLS) TO ASK:

At the County Councils Network Council Meeting on 27 January 2021, the agenda papers stated: "It has subsequently [after October 2020 when the Secretary of State asks for proposals from North Yorkshire, Cumbria, and Somerset] emerged that government have also written, what have been commonly referred to as, "Letters of Encouragement" to five other areas who had written to the Secretary of State asking for a formal invitation for unitary proposals. These letters asked the County Councils to continue to engage MHCLG on their proposals to help "deliver their ambitions", and that Government would consider their proposals if Councils wished to pursue reform following May's local elections."

I was informed informally that one of the five councils that received a "Letter of Encouragement" was Surrey County Council and therefore request confirmation whether or not this is true and if it is, why all members of this Council were not informed at the time it was received and request that it is sent to all members of this Council?

RESPONSE:

As I have said previously and consistently, what is most important to me, beyond any structural change or governance, is our residents, their priorities and giving them more influence over their own communities.

Further to the Minister's announcement in his speech to the LGA Annual Conference on 3 July 2020, that there was to be a Devolution and Recovery White Paper in the Autumn, I wrote to the Government to set out our ambition for Surrey and our wish to engage with Government on the reforms needed to ensure its achievement. I want Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind.

Following the Secretary of State's formal invitations to councils in Cumbria, Somerset and North Yorkshire to submit proposals for unitary local government, I made it clear in a statement to all Members on 12 October, that Surrey had not received a formal invitation and had been advised the pandemic had necessitated resources across Whitehall and in local government being re-allocated to tackle Covid-19 and economic recovery.

In that statement, I further advised Members that the Minister had confirmed that the 'door is still open' and that we would continue in our dialogue with the Government in the firm belief that such reforms would enable us to better serve local people and businesses, to address the challenges of today including on housing, climate change, and those arising from the pandemic.

As a consequence of not being invited to submit a business case for change and the urgent priority of tackling the pandemic in Surrey, all work on submitting a business case was stopped. However, I am aware that the Leaders of the District and Boroughs in Surrey commissioned a report from KPMG which recognised that the current system of local government was not sustainable. It not only identified a number of areas where those authorities could deliver savings by greater collaboration but also proposed the creation of unitary councils in Surrey. Surrey County Council will continue to drive out efficiencies in service delivery and remains very willing to engage with any proposal from the District and Borough Councils that will deliver better and improved services to our residents and will ultimately reduce their council tax.

I can confirm that we have not received any so-called 'letter of encouragement' in the terms suggested in the question.

DENISE TURNER-STEWART, CABINET MEMBER FOR COMMUNITY PROTECTION

2. MR ROBERT EVANS (STANWELL AND STANWELL MOOR) TO ASK:

In July 2018, a year after the Grenfell Tower tragedy, members of Surrey County Council were assured that there were 'no tower blocks or other buildings in Surrey' which were built with the same dangerous cladding.

By December 2019 in response to my question, the cabinet member disclosed that 'a fourth building has been identified with HPL (high pressure laminate)', and that there were 'plans for the building to be made safe through appropriate remedial work.'

In figures used in the house of commons debate on 1 February 2021, it was disclosed that 22 buildings in Surrey have now been identified with unsafe cladding.

Why has Council been provided with inaccurate information? Does the Cabinet Member accept responsibility for providing this flawed and dangerous data?

RESPONSE:

There are no tower blocks or other buildings in Surrey which are built with the specific type of cladding used in Grenfell and this remains the case.

There has been a constant review by the fire service sector and building industry of what cladding is dangerous since the Grenfell Tower tragedy in 2017. By December 2019 the definition of dangerous cladding was extended. Four buildings in total had been identified in Surrey, clad either with a different type of Aluminium Composite Material to Grenfell or with High Pressure Laminate cladding. One of these buildings required no action and of the remaining three, remedial action has since been either taken by the owner or is planned (the owner of the building is responsible for its fire safety).

In Spring 2020 the use of Expanded Polystyrene Systems 'EPS', was also identified nationally as a potential risk. Surrey Fire and Rescue Service immediately commenced an inspection programme called the 'Building Risk Review'. In line with the expectations of the National Fire Chiefs Council, this review is due to be completed by October/November 2021. The Service has identified 22 premises in Surrey with EPS. These have all now been visited as part of the inspection programme and of these four are due to be remediated this year.

The Council has been provided with accurate information by Surrey Fire and Rescue Service. The recent Covid-19 inspection by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services also stated that the Service has successfully continued to engage with those responsible for fire safety in high-risk premises with cladding similar to Grenfell during the pandemic.

Surrey Fire and Rescue will continue to identify premises that may present a risk as new information emerges and will work with their owners in order to keep residents safe. The continued research and understanding will inevitably mean that new risks emerge and some of these may be of relevance to premises in Surrey. This will increase the figure of 'at risk' buildings in Surrey that the Service works with and be reflected in a refreshed Community Risk Profile, so that the Service can respond appropriately. This increase in risk is mitigated by the control measures put in place through the inspection programme, and enforcing legislation where residents are at greater risk. Enforcing action will see improved levels of fire safety control measures being put in place, as well as fire crews being aware of and understanding the risks they are presented with. Control measures stays in place until such time as any remedial works are carried out and the Service is satisfied that the risk has been addressed.

MATT FURNISS, CABINET MEMBER FOR HIGHWAYS

3. MR NICK DARBY (THE DITTONS) TO ASK:

Residents in the Dittons are concerned to note press reports of possible charging for vehicles entering Greater London, bearing in mind their proximity to both Surbiton and Kingston. In the light of the inevitable economic impact if such a proposal became reality, the likely effect on local air quality, and on parking on the London Borough of Kingston borders, will the Cabinet Member for Highways confirm that he is prepared to act quickly and robustly in the event of this proposal being brought forward?

RESPONSE:

I too have seen those very same reports in the media around the idea of charging vehicles entering Greater London. This is linked to the financial support package provided to the Capital by Government during the current pandemic.

Aside from the impacts on many London boroughs, businesses and residents currently outside of the existing congestion charge zone, such a proposition would impact many district and county councils, along with a good number of parliamentary constituencies around the capital. Of course if any such proposal were to come forward it would be subject to wide ranging debate and formal consultation, even at the gestation stage.

I have written to the Mayor on this issue. I have asked the Mayor to explain what he is actually considering, to share any technical information produced thus far and to explain how he plans to actively engage with councils such as Surrey on this issue, if indeed this is something he is planning to pursue. I have stressed to the Mayor that London cannot be treated as an island and that taxation without representation is not a supportable proposition.

I am of course happy to share the response once received.

BECKY RUSH, CABINET MEMBER FOR RESOURCES & CORPORATE SUPPORT

4. MR WYATT RAMSDALE (FARNHAM SOUTH) TO ASK:

Successful transformation of Surrey County Council and effective management over the last three years has secured around £250m of year-on-year efficiencies. This has put the organisation in a strong financial position, giving more security and certainty to Surrey's residents. Could the Cabinet Member confirm how this huge achievement, along with a further £75m of savings over the next few years, will continue to benefit residents, improve services and ensure that no one is left behind in Surrey?

RESPONSE:

Transformation of the Council over the last three years has put us in a strong financial position, enabling us to provide financial security and certainty in guiding Surrey through the COVID pandemic since last March.

A few years ago, a major unforeseen issue such as COVID may well have pushed Surrey to the brink, but thanks to the transformation undertaken in this organisation to date, we can continue to provide services and a better and brighter future for our residents.

Linked to our commitment that no-one is left behind, transformation of our services to children and in adult social care are already having a profound impact on people's lives with our focus on preventative services and strength-based practice. We will continue to drive these multi-year programmes to deliver even more impact while aiding us to cope within our ever-restricted financial envelope and ongoing demand increase.

The transformation change portfolio in 2021/22 is constructed of 31 programmes that address a range of financial and service improvement areas. Many of these programmes are interdependent and collectively they will continue to improve efficiency, drive enhanced service delivery and improve access to services by rationalising multiple entry points into the organisation.

With a greater emphasis on the four priority areas set out in the refreshed Organisational Strategy 21-26, transformation has specific programmes that are focused on Reducing Health Inequalities, Empowering Communities, Economic Growth and Climate Change, all of these will contribute to the overarching theme that no-one is left behind.

In addition, as set out in the 2030 vision and Organisation Strategy we want to create great and sustainable places for all our residents to grow up in, work in, enjoy, and age well in. To do this we plan to develop stronger place-based approaches to planning and delivery with partners that:

- deepen our engagement and understanding of the many different opportunities, challenges and ambitions in each of the county's unique villages, towns and areas – hearing from and involving all parts of our communities.
- create a more joined-up approach to services, land and buildings, and other assets in local communities.

This will help to maximise the impact of combined resources and investments into local areas and increase opportunities for people and communities to shape their own lives and the future of the county.

SINEAD MOONEY, CABINET MEMBER FOR ADULT SOCIAL CARE, PUBLIC HEALTH AND DOMESTIC ABUSE / TIM OLIVER, LEADER OF THE COUNCIL

5. MRS CLARE CURRAN (BOOKHAM AND FETCHAM WEST) TO ASK:

Increasing our day-to-day spending to £1bn, reflects the Council's determination to help our most vulnerable residents, boost their quality of life and reduce inequality. Can the Cabinet Member and Leader therefore please confirm how this added investment for Surrey residents will continue to help guide them through this challenging time and aid long-term recovery?

RESPONSE:

Increasing our budget to over £1bn is good news for residents. Our work over the past 3 years to stabilise and strengthen our finances and the radical service improvements we have achieved through our transformation programme have enabled us to do this. In these difficult times, it has never been more important to focus the money we spend on supporting the most vulnerable people across the county to ensure no-one is left behind.

Demands on our services for vulnerable adults and children were increasing before the pandemic and we will continue prioritising spending on those services. We also know the pandemic will have had a more disproportionate impact on their health, wellbeing and livelihoods for some residents, including young people and residents from Black, Asian and Minority Ethnic (BAME) backgrounds. Some of them may have to use our services for the first time.

In Adult Social Care (ASC) we are have an ambitious programme to deliver a significant number of affordable extra care and supported living units across the County and this programme is well underway. This is a modern and ambitious plan that that will transform services for some of our most vulnerable residents. It demonstrates the Council's commitment to protecting the most vulnerable, helping them to lead an independent lives as possible whilst ensuring they have the specialist support they need.

This budget is designed to support our county's recovery from Covid-19. This includes:

- £300,000 to develop a plan for economic growth to attract new businesses, develop a skills offer that residents and employers need and support strategic infrastructure development;
- £500,000 has been awarded to the Community Foundation for Surrey to further support residents and communities to recover from Covid-19, as well as start-up costs for community projects through Your Fund Surrey;
- £2.4m more for Public Health to enhance services that support residents' health and wellbeing, such as mental health and suicide prevention, health visiting and substance and alcohol misuse services;
- Over £3m additional investment in Children and Young People's emotional wellbeing and mental health services and £3.4m net increase for Children's Social Care.
- A £5m net increase in Adult Social Care; to promote people's independence and wellbeing, through personalised care and support that focuses upon their strengths, the outcomes they want to achieve and enables choice and control.

BECKY RUSH, CABINET MEMBER FOR RESOURCES & CORPORATE SUPPORT

6. MS BARBARA THOMSON (EARLSWOOD AND REIGATE SOUTH) TO ASK:

I recognise Surrey County Council's commitment to protecting its residents throughout this difficult and challenging time, through minimising the Council Tax increase, which is half of the amount permitted by government and considerably less than that planned by other authorities. Could the Cabinet Member explain how the Council will use this money effectively, so that we can continue to protect our most vulnerable residents, while ensuring our services remain robust?

RESPONSE:

The last three years have seen transformational improvements to Surrey County Council's financial stability and the extent to which it uses its money effectively to deliver services. Our track record in setting and delivering balanced budgets without the use of reserves is demonstrated by the outturn position for 2019/20; a small surplus of £0.2m with £2.8m added to the General Fund Reserve. The forecast projections for 2020/21 are also on an improving trend despite the impact of Covid-19 and we expect to conclude the year with a balanced position.

Our External Auditors, Grant Thornton conduct an annual audit of our arrangements for delivering value for money. In the most recent review, the auditors recognised the extent to which we have improved since 2018; concluding that the "success of the Finance Improvement Plan appears to have greatly improved the Council's ability to achieve Economy, Efficiency, and Effectiveness in use of its resources." Grant Thornton also acknowledge a culture of self-improvement, self-review and transparency and concluded that "the Council has made significant progress in ensuring that its financial position is resilient and that adequate arrangements are in place."

The budget for 2021/22 has been developed through an integrated approach across the organisation, based on a realistic set of assumptions about the environment in which we deliver services. The proposals set out in this budget report are based on significant engagement with residents, partners and businesses over the last two years with the insight from this engagement informing a robust evidence base underpinning the Organisation Strategy and Medium-Term Financial strategy.

This robust, integrated and collaborative approach ensures that revenue budgets, capital investment and transformation plans are at the heart of delivering improved services to residents and the corporate priorities of the organisation.

The Council employs a rigorous approach to ensuring that the money we raise through Council Tax, Business Rates and from Government grants is used efficiently and effectively throughout the year; this takes the form of continual monitoring of the budget and the Directorate performance reporting through Cabinet and rigorously scrutinised by Select Committees for each Directorate.

JULIE ILES OBE, CABINET MEMBER FOR ALL-AGE LEARNING

7. MR KEN GULATI (BANSTEAD, WOODMANSTERNE & CHIPSTEAD) TO ASK:

I am delighted that Surrey County Council is investing over £100m in schools and £80m in Special Educational Needs provision to secure the best possible start for Surrey's children. Could the Cabinet Member for All-Age Learning clarify how the additional £11.5m to provide 400 more Special Educational Needs & Disabilities (SEND) will benefit our children and help tackle educational inequality?

RESPONSE:

I would like to thank the County Councillor for Banstead, Woodmansterne and Chipstead for his question today as it draws attention to the vital investment the Council has made into improving the educational outcomes and life chances for our children and young people with SEND in Surrey.

Our analysis indicates that there are too many children with SEND being educated out of county and in independent settings. The capacity in our mainstream specialist schools and units has simply not expanded sufficiently to meet the growing demand of Surrey children to be educated locally. For this reason, in three stages, Cabinet has now agreed capital investment of £79m to create up to 1600 additional specialist school places in Surrey over the next four years. This includes Cabinet agreement in January 2021 of £11.5m to provide 400 additional specialist places.

Our aims for this significant investment in local, mainstream specialist provision are closely aligned with Surrey's Community Vision 2030, which seeks to realise the Council's ambition that everyone benefits from education, skills and employment opportunities that help them to succeed in life. We know there are better long-term outcomes for children and young people educated closer to home, with the right support so that children and young people who have SEND can live, learn and grow up locally to achieve their potential. Our children with SEND tell us this and their parents too.

Providing high quality educational provision for young people with SEND closer to home also provides better opportunities to promote their independence through, for instance, developing independent travel training and local apprenticeships, which are critical foundations for preparing our young people for adulthood. The additional benefits of local provision are reduced home to school travel times, meaning shorter journeys for children to school and less traffic congestion on our roads.

We have very high ambitions for our children with SEND in Surrey. In addition to investment into expanding the physical infrastructure of specialist schools and units, we are also investing significantly in social infrastructure to meet their needs. This includes the Council's Early Help Offer, the Graduated Response and the Learners' Single Point of Access which provide direct support for schools to meet the needs of all children with additional educational needs earlier and more effectively. We have significantly expanded our programmes to support young people with SEND onto vocational pathways through apprenticeships and supported internships to move them into independent and fulfilling adulthood.

TIM OLIVER, LEADER OF THE COUNCIL

8. MRS FIONA WHITE (GUILDFORD WEST) TO ASK:

Please would you supply the following information:

a. The number of FTE equivalent personnel employed by Surrey County Council for each of the last five years up to and including April 2020;
b. The number of officers employed by the council at director level (including executive, strategic, assistant and director) each year for the same five year period;
c. The number of officers appointed by the council at director level (including executive, strategic, assistant and director) in the current financial year?

RESPONSE:

The table below provides responses to the three questions above.

Question		2016	2017	2018	2019	2020	2020/21
a. The number of FTE equivalent personnel employed by Surrey County Council for each of the last five years up to and including April 2020;		7312	7231	7018	6633	6783	N/A
b. The number of officers employed by the council at director level (including executive, strategic, assistant and director) each year for the same five year period;	SCC Directors	34	33	28	23	22	N/A
	Orbis Directors	-	7	6	6	6	N/A
c. The number of officers appointed by the council at director level (including executive, strategic, assistant and director) in the current financial year?	SCC Directors						10
	Orbis Directors						0

Notes:

- Figures provided in a) and b) are a snapshot of data as at 31 March each year.
- Director level relates to Chief/Deputy Chief Officer roles, i.e. Chief Executive to Tier 3 leadership roles.
- Orbis roles are displayed separately as the costs in relation to these are apportioned between Surrey County Council, East Sussex County Council and Brighton & Hove City Council.
- The majority of officers appointed during the current financial year have been recruited on a permanent basis to replace high cost interim cover, which has now reduced to zero at this level.

BECKY RUSH, CABINET MEMBER FOR RESOURCES & CORPORATE SUPPORT

9. MR JONATHAN ESSEX (REDHILL EAST) TO ASK:

In the past years Surrey County Council has increased its council tax (including Adult Social Care precept) by the maximum allowed by government, increasing it by 14% or £94 million more than inflation (see table below) as the funding provided by central government has been cut.

Please confirm whether the council will continue to levy the maximum allowed council tax (and ASC precept) increase alongside service reductions over the next five years in order to address the predicted £174m budget shortfall needed by 2026 as stated in this year's budget papers?

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Total council tax increase (including adult social care levy)	3.99	4.99	5.99	2.99	3.99
Maximum allowed increase by government	4	5	6	3	4
Inflation (CPI) - for January each year	0.3	1.8	3	1.8	1.8
Cumulative increase above inflation	3.7%	7.0%	10.2%	11.5%	14.0%

RESPONSE:

As context, Government typically assume that councils will increase Council Tax by the maximum allowable. This assumption influences their distribution of other funding available through the grants system, thereby reducing the amount of grant available for councils who are deemed able to generate increased funding through Council Tax.

Pressure on services, particularly in Adult Social Care and Children's Services, continues to grow year-on-year. Transformation of these services will play a critical part in securing long-term sustainability, but with further expected reductions in funding from Government combined with the significant cumulative effect of inflationary pressures, some increase in Council Tax is inevitable.

The Council takes decisions on the level of Council Tax increases in context of the wider budget position and other funding publicised in the Local Government Finance Settlement. In recent years, the settlement has been for one-year only; despite repeated commitments from Government to a multi-year settlement.

This means that there is a significant level of uncertainty in funding for 2022/23 and beyond. Although next year's budget process has already begun, a clear picture will not emerge until publication of the provisional settlement, likely to be in December. Until that clarity emerges it is inadvisable to prejudge the level of Council Tax required.

Setting a 0.5% increase in the Adult Social Care precept for 2021/22 is necessary to meet the growth in Adult Social Care costs whilst minimising increases for residents. Importantly, the flexibility to increase by the remaining 2.5% is carried forward and can be applied in 2022/23 if necessary, though again at that point, as was the case this year, a decision on the Council Tax precept level and use of the flexible carried forward Adult Social Care precept, will be carefully determined taking Surrey County Council's financial position, future identified pressures, and burden on residents into account.

TIM OLIVER, LEADER OF THE COUNCIL

10. MR ROBERT EVANS (STANWELL AND STANWELL MOOR) TO ASK:
(2nd Question)

In May 2014 Council passed an original motion in my name, in which we agreed amongst other measures and wherever possible:

'*To promote awareness of fair trade issues and the opportunities for supporting fair trade across the County.*
To work with Surrey Fairtrade and those towns who already have Fairtrade Status to widely publicise the worldwide impact of unfair trade and the opportunities that fair trade provides to sustainable development.
To concentrate on making Council employees, the Surrey public and local businesses aware of the Council's resolution on fair trade.'

In the debate and in subsequent follow up, on 5 December 2017, the Cabinet Member(s) responsible agreed to report back regularly on progress towards this goal. To the best of my knowledge this has not happened.

Will the leadership now take the opportunity to update Council on our fair trade policy and progress in this field?

RESPONSE:

<u>Annual Statement on Fair trade: January 2021</u>

<u>Background:</u>

On 5 December 2017 the Cabinet Member for Property and Business Services agreed to provide an update to the Council on an annual basis regarding the authority's progress to becoming a Fairtrade Council.

Surrey achieved Fairtrade County status in September 2015 following:

- Campaigning by local residents in a number of Fairtrade towns across the County (Addlestone, Cranleigh, Godalming, Guildford, Haslemere, Leatherhead, Lingfield & Dormansland, Tatsfield, Woking);
- Efforts of a Surrey Fairtrade Steering Group; and
- A resolution in support of Fairtrade which was passed by Surrey County Council.

Surrey Fairtrade Steering Group, which was made up of volunteers has since disbanded due to a lack of support and resources. Surrey no longer has official recognition as being a Fairtrade county. In some of the above-mentioned towns individuals are working in local communities in order to maintain their Fairtrade town status.

In 2016 a proposal outlining the activities and costs involved in maintaining the Fairtrade County status was provided. The decision made was to promote Fair trade as part of business as usual without the required investment for Surrey County Council to maintain its Fairtrade county status.

Fair Trade & Surrey County Council Procurement

The Council's commitment to ethical sourcing forms part of the Social Value Procurement Strategy developed in response to the Public Services (Social Value) Act 2012. For tenders over £189k in value, Procurement, in agreement with budget holders, incorporate fair trade criteria into the procurement process whilst ensuring compliance with the Public Contract Regulations 2015.

To encourage and drive this culture of fair trade with suppliers and through the supply chain, the Councils Procurement Department have:

- Developed and published an Ethical Procurement Statement and Supplier Code of Conduct which can be viewed on the Councils website. In addition, guidance on Modern Slavery is also provided to suppliers to raise awareness and promote equality in relation to labour standards.

- Re-designed tender documents so they expressly state the Councils commitment to sustainability and social value and where relevant appropriate weighting is given to sustainable products in the tender process.

- Awarded contracts based on the most economically advantageous tender which includes due consideration of both price and quality (includes social value).

Where it represents value for money to Surrey taxpayers the Council continues to procure Fairtrade bananas and sugar as part of the ongoing commitment to supporting the motion to facilitate Fairtrade wherever possible. Furthermore, Starbucks are the coffee bean and the tea provider at Woodhatch Park and they are a Fairtrade partner with all their coffee and tea being Fairtrade certified.

Selecta, who provide the Express Vending HUB at Woodhatch, state that through Express Vending they are committed to ethical sourcing and giving back to the plantation communities through partnership with the Point Foundation charity.

Additionally, as part of an ongoing procurement activity within Twelve15, a supplier brief was developed for the catering supplier engagement days which incorporated the five key themes below:

The five themes are:

1. Flexibility of Supply Chain
2. Carbon Footprint
3. Innovation in the Market
4. Sourcing
5. Engagement

These themes have been included in the current tender documents through the use of specific questions designed to find out the extent of supplier adoption in each area and how that could be brought to the contract. This is a complete departure to the last tender and shows the changes to Twelve15's way of working for the future. The tender closes imminently so

unfortunately, we will not have any specific outcomes to report on just yet, but it demonstrates we are building in more requirements to support local, agile and greener local economy.

BECKY RUSH, CABINET MEMBER FOR RESOURCES & CORPORATE SUPPORT

11. MR WYATT RAMSDALE (FARNHAM SOUTH) TO ASK:
(2nd Question)

Dedicating almost £2bn over the next five years to tackle climate change, provide jobs, boost active travel, and improve infrastructure is very welcome news. Does the Cabinet Member agree that it is only a Conservative-run Council that will best use this investment to grow a sustainable local economy so that everyone can benefit?

RESPONSE:

In February 2020 we announced a total capital spend in our Medium-Term Financial Strategy of almost £1.5bn which has increased to almost £2bn set out in this budget report. This ambitious capital programme is about looking to the future; investing now to protect and improve Surrey's future, making a real and lasting difference to people's lives and life chances.

This 5-year investment plan has become even more important in ensuring our county and communities can thrive over the coming years of recovery from the impact of Covid-19. The investment is set out in section 6 of the budget and Medium-Term Financial Strategy and includes:

- The £100m Your Fund Surrey which has launched and will strengthen communities and give residents more power and influence.
- £33m investment planned into Surrey Fire & Rescue Service infrastructure
- £116m earmarked for infrastructure aimed at boosting economic growth across the county
- £286m outlined for large scale infrastructure projects like in Farnham town centre and the A320 scheme
- A further £264m for highways incorporating £13m for Local Committees to accelerate their programmes
- An ambitious commitment to deliver a greener and more sustainable future for Surrey residents, including:
    - £253m investment and leadership on flood alleviation which will protect tens of thousands of homes and businesses from further disaster and give future security and peace of mind.
    - £105m set aside for projects including renewable energy, active travel and the move towards zero carbon; including £48m investment in low emission buses to help tackle climate change and improve sustainable transport
    - Our £268m investment in schools and £74m in provision for children with Special Educational Needs and Disabilities, which will ensure our children can overcome this year's disruption and get the best possible start in life.
    - £264m investment in highways to boost active travel and make getting around the county smoother; and
    - £170m investment in accommodation for Looked After Children, Extra Care and independent living, to ensure our those most in need can be given better life chances and live safely and independently.

In order to deliver a capital programme of this magnitude a stable and resilient financial position is required. Thanks to strong leadership from the Conservative administration and Finance team the financial position of Surrey County Council has strengthened considerably since 2018 with finance embedded in the heart of decision making across all directorates, driving out £250m efficiency savings and building a resilient reserves position.

Transformation of the Council over the last three years has put us in a strong financial position to effectively coordinate the Surrey-wide response to COVID, to provide £10m grants to care providers and deliver over 12 million items of PPE. Unlike many District and Boroughs under Independent, Resident or Liberal Democrat Coalition control, Surrey County Council's stable financial position has enabled us to weather the COVID storm

Our strong financial position, combined with the COVID grants from Central government, enabled us to support our residents, mobilising quickly, and leaves us in a good position to drive forward the economic growth agenda as we recover.

The improvement in the Council's financial position gives us all the confidence in our ability to deliver these Capital commitments with improved project management capacity to drive forward the investment. Our Capital and Revenue budget is robust, realistic and designed to deliver on our commitments to our residents and grow a sustainable local economy which will benefit us all.

JULIE ILES OBE, CABINET MEMBER FOR ALL-AGE LEARNING

12. MR ROBERT EVANS (STANWELL AND STANWELL MOOR) TO ASK:
(3rd Question)

In view of increasing rate of unemployment in Surrey and the prospect of the County's school leavers facing a depressed job market, what planning is being carried out to offer practical assistance for training and education within the County's Adult Education Service?

This is especially important for boroughs like Spelthorne and Surrey Heath without a Further Education (FE) college.

RESPONSE:

I would like to thank the Councillor for Stanwell and Stanwell Moor for his question today as it draws attention to the vital contribution our Adult Learning Service is making to delivering the ambitions of Surrey's economic strategy to support the revival of Surrey's economy. Cabinet agreed 'Surrey's Future Economy: Our 2030 Strategy Statement' on 15 December 2021 with the intention to develop Surrey's potential for greater social wellbeing and economic prosperity for all.

We know that good quality and sustained employment has a direct correlation with quality of life. Our Adult Learning Service is enabling Surrey residents who experience greater social and economic exclusion to be at the forefront of our drive to delivering a balanced and inclusive economy.

A key aim of 'Surrey's Future Economy' is enhancing our Surrey Skills System, using existing asset and resources, such as schools, colleges, adult learning and universities, to prepare the future Surrey workforce with the skills required to meet the demand of future jobs. The SAL (Surrey Adult Learning) offer is central to this agenda and the service is actively engaged in the planning and delivery of training and education to meet these requirements.

The SAL online Skills for Work programme (which currently covers all areas including Spelthorne and Surrey Heath) includes English and maths and the new Essential Digital Skills qualifications, as well as employability courses (Get that Job). Face to face courses will return to SAL's adult learning centres, including Spelthorne and Surrey Heath, post pandemic. SAL is continuing to work towards offering further learning qualifications to support all adult residents eligible to be funded by the Adult Education Budget grant received from the ESFA (Education and Skills Funding Agency). This will be further informed through the work aligned with 'Surrey's Future Economy'. Finally, SAL continues to support the Council with its Apprenticeship programme to provide young adults with a stepping stone towards sustainable employment.

MINUTES OF THE MEETING OF THE CABINET
HELD ON 26 JANUARY 2021 AT 2.00 PM
VIA MS TEAMS, REMOTE MEETING.

These minutes are subject to confirmation by the Cabinet at its next meeting.

Members:

*Mr Tim Oliver (Chairman)
*Mr Colin Kemp (Vice-Chairman)
*Dr Zully Grant-Duff
*Mrs Sinead Mooney
*Mr Mel Few
Mrs Natalie Bramhall
*Mrs Mary Lewis
*Mrs Julie Iles
*Mr Matt Furniss
*Ms Denise Turner-Stewart

Deputy Cabinet Members:

*Mrs Becky Rush
*Mr Mark Nuti
*Mr Edward Hawkins
*Miss Alison Griffiths
*Miss Marisa Heath

* = Present

Members in attendance:

Mr Nick Harrison, Chairman of the Resources and Performance Select Committee

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The Leader made a short announcement before the start of the formal meeting agenda. The following key points were made:

- That despite the pandemic, the council, working alongside partners continues to focus on delivering service improvements for residents.
- The Leader thanked frontline staff who continue to do a great job supporting vulnerable residents and communities.
- The Leader thanked the team within the council and the teams within the two health systems, Surrey Heartlands and Frimley for their support with rolling out the vaccination programme. The council will be on target for vaccinating all those residents in the top four cohorts.
- A special thanks was given to residents for continuing to comply with lockdown restrictions. The Leader reminded everyone that the vaccine would take up to three weeks to be effective and therefore it was important that those whom had taken the vaccine still needed to comply with restrictions.
- The Leader welcomed Dr Jim Glover and Laura Thurlow from Community Foundation for Surrey to the meeting. The council would continue to provide support to the Community Foundation for Surrey and have committed to £500k funding for next year.
- Mark Nuti had been appointed as the Cabinet Member for Communities and Becky Rush as the Cabinet Member for Resources and Corporate Support. Both Mel Few and Zully Grant-Duff would be stepping down from the Cabinet. The Leader thanked both Mel and Zully for their exceptional work and commitment, wishing them both the best for the future.

- As part of the budget item, the council would be recommending an increase in council tax by 2.49%. In real terms, this would mean an increase for a Band D property to 72p per week and for a Band H property this would be an increase of £1.45 per week. The increase was significantly lower than council tax increases imposed by other local authorities and 50% of what the government would allow without a referendum.
- Investment and increased spending would be seen in independent living and extra care accommodation, facilities for those with Special Educational Needs and Disabilities (SEND), ultra-low emission vehicles, flood alleviation schemes, highways maintenance and major infrastructure schemes.
- There were four key areas that residents want the council to focus on, these include, education, adult social care, children social care and highways. This budget gives focus on these key areas.

PART ONE
IN PUBLIC

1/21 APOLOGIES FOR ABSENCE [Item 1]

Apologies were received from Natalie Bramhall.

2/21 MINUTES OF PREVIOUS MEETING: 15 DECEMBER 2020 [Item 2]

The Minutes of the Cabinet meeting held on 15 December 2020 were approved as a correct record of the meeting.

3/21 DECLARATIONS OF INTEREST [Item 3]

There were none.

4/21 PROCEDURAL MATTERS [Item 4]

4/211 MEMBERS' QUESTIONS [Item 4a]

There was one member question. The question and response were published as a supplement to the agenda. The Cabinet Member for Adult Social Care and Public Health stated that the public health team had recently submitted a bid to the Department of Health and Social Care for funding to go live with a series of asymptomatic testing sites across the county. The Cabinet Member confirmed that from 01 February 2021 three sites would go live, these would be, Thameside in Staines- Spelthorne, Goldwater in Woking and Bourne Hall in Epsom and Ewell. Two weeks later a further three sites would go live in Reigate and Banstead, Guildford and Elmbridge. Two weeks after this, as part of a third tranche, sites would go live in Waverley and Surrey Heath. These asymptomatic sites would compliment the current testing sites that are up and running. In addition to this, public health were also working hard with colleagues in pharmacy settings to finalise a commitment from up to 45 pharmacies across the County who will also be rolling out asymptomatic testing. The good work of the public health team in deploying this testing model so rapidly was acknowledged.

5/21 PUBLIC QUESTIONS [Item 4b]

There were two public questions. The questions and responses were published as a supplement to the agenda.

6/21 PETITIONS [Item 4c]

One petition with 812 signatures had been received. It requests that Surrey County Council rewards their social care staff appropriately during the pandemic. The response to the petition was published as part of the supplementary agenda. Mr Paul Couchman presented the petition. Mr Couchman explained that the proposed changes from 1 April 2021 would mean that many staff are actually worst off, with some facing cuts of 10%. The following four 'asks' were raised, the first, to backdate the enhancements to the end of September 2020 when they were stopped, the second, to consider a further recognition offer to those vital and dedicated workers, the third, to look again at the current pay offer and reinstate the 2% pay offer and finally, to take another look at unsocial hours allowances in the pay offer. The Cabinet Member for Adult Social Care and Public Health acknowledged the personal courage and bravery of all frontline staff. The four 'asks' would be taken away and explored further with the service, Executive Director and HR.

7/21 REPRESENTATIONS RECEIVED ON REPORTS TO BE CONSIDERED IN PRIVATE [Item 4d]

There were none.

8/21 LEADER / DEPUTY LEADER / CABINET MEMBER/ STRATEGIC INVESTMENT BOARD DECISIONS TAKEN SINCE THE LAST CABINET MEETING [Item 5]

Five decisions from the Committee in Common had been taken since the last Cabinet meeting.

RESOLVED:

That the delegated decisions taken since the last meeting of the Cabinet be noted.

Reason for decision:

To inform the Cabinet of decisions taken by Cabinet Members, Strategic Investment Board and the Committee in Common subcommittee under delegated authority.

9/21 COVID-19 DELEGATED AND URGENT DECISIONS TAKEN [Item 6]

No decisions were taken on this item.

10/21 COVID-19: SURREY COUNTY COUNCIL UPDATE [Item 7]

The Leader explained that very strong partnership working was taking place across the system and the report reflects on the activity taking place. Communications around testing and lockdown restrictions had been actively promoted with ad vans travelling across the county. 26 vaccination centres

had been opened with two mass vaccination centres in Guildford and Epsom. The vaccination process would start with the top 4 cohorts. The Leader explained that residents being offered vaccinations outside of the county did not have to accept this and should speak to their GP to get this re-arranged at a local vaccination centre. The Director of Public Health, Ruth Hutchinson was thanked for her sterling work in guiding the county through the pandemic. The Leader explained that Recommendation 8 should be amended to read May 2021 which was the anticipated date of the elections. Paragraph 47 should also be amended to read 6 May 2021.

RESOLVED:

1. It be agreed that decision-making for the use of the latest £3.3m of Contain Outbreak Management Fund (COMF) received and all future COMF monies be delegated to the Director of Public Health in consultation with the Cabinet Member for Adults & Health and Surrey's Local Resilience Forum (SLRF).

2. It be agreed that decision-making on the distribution of the grant to support Clinically Extremely Vulnerable (CEV) during the current lockdown, and future tranches of this grant be delegated to the Deputy Chief Executive, in consultation with the Cabinet Member for Finance and the Cabinet Member for Adults & Health.

3. That the challenges to the provision of normal council services presented by the new variant and more transmissible Covid-19 virus be noted.

4. That the principle of needing to de-prioritise certain services/projects to enable more capacity to be deployed into critical services be noted and endorsed.

5. That the lobbying for the prioritisation of key workers, including teachers, to have access to the vaccination programme as soon as possible be noted and endorsed.

6. That the latest public health situation, nationally and in Surrey, actions being delivered through Surrey's Local Outbreak Control Plan, and the ongoing support to vulnerable residents, including through the council's Community Helpline and the Covid Winter Support Grant scheme be noted.

7. That the latest impacts on Adult Social Care and Children's, Families, Lifelong learning services be noted.

8. That the ongoing preparation for the local elections in May 2021 and associated risks be noted and endorsed.

9. That the work in train to better understand and respond to the impacts on communities of Covid-19, and the work being planned and undertaken to harness the community spirit evident across the county be noted and endorsed.

Reason for Decision:

The county and council continue to face unprecedented challenges due to the Covid-19 crisis. We are simultaneously managing response activity and work with our partners to enable recovery within the county, looking ahead to a return to day-to-day life for communities following the end of national lockdown.

The recommendations set out in this report ensure Cabinet are appraised of the most recent work going on across the council to protect, sustain and support residents and communities and the economy of Surrey.

[Where necessary a waiver for call-in will be sought from the relevant Select Committee Chairman]

11/21 REPORTS FROM SELECT COMMITTEES, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL [Item 8]

The Chairman of the Resources and Performance Select Committee thanked the Cabinet Member for Resources for the response to the scrutiny recommendations. On the recommendation on the capital programme the clarification of the process was welcomed. On the second recommendation regarding council tax and business rates, it was clear that much work had been done and the budget assumption on the collection fund had changed substantially since first review. He explained that the Resources and Performance Select Committee reviewed the draft budget last week and were satisfied with the revised budget. The Resources and Performance Select Committee were satisfied that positive steps had been taken to close the budget gap of £18.3m. The Chairman of the Resources and Performance Select Committee briefed the Cabinet on the comments raised by the Children's and Adults Select Committees on challenges in their service areas. The Cabinet Member for Resources was thanked for his exceptional services in the finance and resources area. The Leader thanked the Select Committees for their scrutiny work on the budget.

The Cabinet Member for All-Age Learning referred to comments from the Select Committee on the habitual use of the general Fund to offset overspends. The Select Committee were right to say this was unsustainable in the long term. The Cabinet response to the recommendations highlights improvement in practice and gives confidence in setting out the early intervention work and the graduated response approach rather than their availability being inadequate as suggested by the committee. Some of the projects were in their infancy and others such as the new commissioning arrangements for CAMHS had not yet started. The Cabinet Member for Communities spoke on behalf of the Cabinet Member for Environment and Climate Change and stated work was being undertaken to improve the visitor experience to the countryside. She explained that £3m would be invested over 5 years into improving public rights of way and into improving the countryside estate.

RESOLVED:

That the Scrutiny of 2021/22 Draft Budget and Medium-Term Financial Strategy to 2025/26 report be noted and recommendations agreed.

12/21 2021/22 FINAL BUDGET AND MEDIUM- TERM FINANCIAL STRATEGY TO 2025/26 [Item 9]

The report was introduced by the Cabinet Member for Resources whom explained that the production of the 2021/22 budget had been developed through an integrated approach across Strategy, Transformation and Finance, based around a set of Core Planning Assumptions which set out likely changes to the environment in which we delivered our priorities. The budget being presented reflected the successes of the major transformation programmes and efficiencies driven by the Council, which commenced over three years ago. The draft budget process began well before December 2020 with the draft budget presenting a gap of £18.3m. This gap had now closed with a balanced budget finalised and no use of reserves. The Cabinet Member detailed all the actions that had been taken to close this gap. Details were given of the ambitious capital expenditure programme of £1.9b over the period till 2026. The Cabinet Member detailed the key elements of the budget including how the budget had been prepared, the revenue budget, council tax precept, adult social precept, business rates, government grant funding, expenditure and budget reserves. The Cabinet Member stated that he was satisfied the budget was balanced, fair and deliverable.

The Deputy Cabinet Member for Resources updated the Cabinet on capital expenditure and financing elements of the budget. The total capital budget for the next five years totalled £1b for capital projects and £900m for pipeline projects, which are the schemes at an early stage of development. A detailed breakdown was given of the capital budget and the services that would be impacted. Details were also provided on the financing elements of the budget.

Each of the Cabinet Members then proceeded to highlight the positive areas of the budget which supported their specific services. The Cabinet Member for Resources, Executive Director for Resources and finance team were congratulated for the presentation of the budget. The Cabinet highlighted that the budget would allow the council to deliver on the community vision for Surrey.

The Cabinet for Resources paid a special thanks to Anna D'Alessandro, Rachel Wigley, Mark Hak-Sanders and Nikki O'Connor who had put in tremendous effort to producing the budget. Leigh Whitehouse, the Executive Director for Resources was thanked for his oversight and direction. The 14 recommendations in the report were unanimously agreed by Cabinet.

RESOLVED:

That Cabinet makes the following recommendations to Council on 9 February 2020.

Cabinet recommends that Council:

1. Approves the net revenue budget requirement be set at **£1,003.6 million** (net cost of services after service specific government grants) for 2021/22 (Annex B), subject to confirmation of the Final Local Government Financial Settlement;
2. Approves the total Council Tax Funding Requirement be set at **£777.9 million** for 2021/22. This is based on a council tax increase of 2.49%,

made up of an increase in the level of core council tax of 1.99% to cover core Council services and an increase of 0.5% in the precept proposed by Central Government to cover the growing cost of Adult Social Care (Annex E);

3. Notes that for the purpose of section 52ZB of the Local Government Finance Act 1992, the Council formally determines that the increase in core council tax is not such as to trigger a referendum (i.e. not greater than 2%);

4. Sets the Surrey County Council precept for Band D Council Tax at £1,549.08, which represents a 2.49% uplift. This is a rise of £0.72 a week from the 2020/21 precept of £1,511.46. This includes £139.01 for the Adult Social Care precept, which has increased by £7.55. A full list of bands is as follows:

Valuation band	Core precept	ASC precept	Overall precept
A	£940.05	£92.67	£1,032.72
B	£1,096.72	£108.12	£1,204.84
C	£1,253.40	£123.56	£1,376.96
D	£1,410.07	£139.01	£1,549.08
E	£1,723.42	£169.90	£1,893.32
F	£2,036.77	£200.79	£2,237.56
G	£2,350.12	£231.68	£2,581.80
H	£2,820.14	£278.02	£3,098.16

5. Approves the Flexible Use of Capital Receipts Strategy for 2021/22 to meet the statutory guidelines for the use of such receipts to fund transformation (Annex F);

6. Notes that underlying General Fund Balances are projected to remain at £24.2 million as at 1 April 2021;

7. Approves the Total Schools Budget of £537.3 million to meet the Council's statutory requirement on schools funding;

8. Approves the overall indicative Budget Envelopes for Executive Directorates and individual services for the 2021/22 budget (Annex B);

9. Approves the total £1,905.5 million proposed five-year Capital Programme (comprising £1,026.2m of budget and £879.2m pipeline) and approves the £184.9 million Capital Budget in 2021/22 (Annex C);

10. Approves the Capital and Investment Strategy (Annex G), which provides an overview of how risks associated with capital expenditure, financing and treasury will be managed as well as how they contribute towards the delivery of services;

11. Approves the policy for making a prudent level of revenue provision for the repayment of debt (the Minimum Revenue Provision (MRP) Policy) (Annex I);

12. Agrees the Council's refreshed Transformation Programme (as set out in section 3 of 2021/22 Final Budget Report and Medium-Term Financial Strategy to 2025/26)

13. Note that the investment in transformation required to deliver improved outcomes and financial benefits is built into the proposed Medium-Term Financial Strategy (as set out in section 3 of 2021/22 Final Budget Report and Medium-Term Financial Strategy to 2025/26) and;

Cabinet recommends that the Audit & Governance Committee approves the following:

14. Treasury Management Strategy and Prudential Indicators (Annex H) which set a framework for the Council's treasury function to manage risks, source borrowing and invest surplus cash.

Reason for Decision:

Council will meet on 9 February 2021 to agree a budget and to set the Council Tax Precept for 2021/22. Cabinet is required to recommend a budget to Council for consideration at this meeting. The budget directs available resources to support the achievement of the Council's ambitions and priorities in the 2030 Vision and the Refreshed Organisation Strategy. The budget will also support the delivery of the continuing transformational changes that are required to ensure that the Council can improve priority outcomes for residents, while managing growing demand for services and ensuring future financial sustainability.

[The decisions on this item can be called in by the Resources and Performance Select Committee]

13/21 CABINET MEMBER STRATEGIC PRIORITY AREA UPDATE: EMPOWERING COMMUNITIES [Item 10]

Both Item 10 and 11 were considered together. The report was introduced by the Deputy Cabinet Member to the Leader whom explained that Empowering communities was key to delivering our vision of a county where no one is left behind; ensuring residents in Surrey can play an active role in tackling local issues, supporting one another and influencing decisions that will shape their future. The 'Make It Happen' campaign which highlights the importance of working together to strengthen our communities and create better places to live had recently been launched. The Deputy Cabinet Member announced a £500k investment in the Community Foundation for Surrey which he hoped would be match funded.

Since its launch, the new 'Common Place' web-based ideas platform had already had nearly 450 schemes posted with over 10,600 people interacting with it. As at the end of last week, 47,000 visitors had visited the site with 600 projects and ideas being posted in the map. Public question and answer sessions had been organised to explain the process for the fund. It was stressed that the fund was designed to support legacy projects with the Community that were going to benefit and enhance areas across the County. The scheme was not designed to fund highway projects. It was envisaged that the application process would open in March with the funding being granted in the summer.

Dr Jim Glover OBE, Chairman, Community Foundation for Surrey updated the Cabinet on the work being undertaken by the Community Foundation for Surrey. The Chairman briefed the Cabinet on the priorities of the Foundation in understanding levels of needs, developing detailed knowledge of charities

and voluntary groups and inspiring philanthropic giving. The Chairman updated Members on the development of the Coronavirus Respond Fund and thanked Surrey County Council for their support with funding of £200k. The further £500k awarded to the Foundation through the council was welcomed. Colleagues would work hard to ensure this was match funded by local donors.

The Leader thanked the Chairman of Community Foundation for Surrey for his leadership on behalf of the council and looked forward to continuing partnership working with the Foundation.

RESOLVED:

That the Cabinet Member Strategic Priority Area update report be noted.

14/21 YOUR FUND SURREY UPDATE [Item 11]

See Minute 13/21.

RESOLVED:

1. That the progress of the Fund since its launch in November 2020 be noted.

2. That a VCFS representative from Surrey Community Foundation sit on the network of experts that assess and score bids.

3. That the establishment of the YFS Advisory Panel be noted.

4. That the suggested timescales for the next steps for the Fund and the opening of the first funding window be agreed.

Reason for Decision:

Your Fund Surrey (YFS) continues to represent a significant and exciting opportunity for Surrey County Council (SCC) to invest in a meaningful and lasting way in communities, and for communities to drive projects that will make a real difference. The Fund fills a unique gap in the market for investment in truly resident and community-led projects to have a positive impact on the places in which they live.

YFS is a key part of the Council's wider Empowering Communities programme of work that is seeking to stimulate local engagement and involvement. By providing the financial backing for community-led projects, the Fund will help to ensure the benefits of the funding match local need and builds local resilience and sustainability by helping people help themselves.

This report highlights the innovative ways in which communities have been involved and engaged in the development of the Fund and the significant interest so far from groups in wanting to use YFS to design and deliver projects that will benefit the areas in which they live.

The recommendations set out the continued work and planned next steps to ensure the Fund is accessible to all and can start to support successful

projects once the funding window opens in spring 2021. As set out in the proposed timescales, this timeline is subject to review and monitoring of the ongoing impact of the Covid-19 pandemic.

[The decisions on this item can be called in by the Communities, Environment and Highways Select Committee]

15/21 PLACEMENT VALUE AND OUTCOMES: DEVELOPING LOCAL SPECIAL EDUCATIONAL NEEDS AND DISABILITY (SEND) PROVISION TO MEET DEMAND IN SEPTEMBER 2021 [Item 12]

The report was introduced by the Cabinet Member for All-Age Learning who explained that Surrey's existing maintained specialist estate, which includes places in specialist centres and units in mainstream schools and special schools, had 3,477 places of which 98% were currently occupied. The current position was that 400 additional specialist school places were needed on top of those already planned for the beginning of September 2021. It was explained that the average unit cost was £53k per learner per annum for independent sector provision compared to the average cost of £23k per learner per annum for maintained specialist places. The report recommended the use of £11.5m of the total approved SEND Capital Funding of £79.6m for a programme of adaption and refurbishment of SCC owned assets and maintained schools in Phase 3 of the SEND capital programme.

The Cabinet Member then went onto update the Cabinet on the SEND offer. An inspection in 2016 highlighted five areas where services for children with special education needs and disabilities required improvement. A revisit by Ofsted, and the Care Quality Commission in May 2019 left one area of focus which was connected with the increasing rates of absence and exclusion for children and young people who had specialist requirements. As of December 2020, the Department of Education and National Health officials confirmed that the council had demonstrated clear and sustained progress and that there was no longer a need for them to continue any formal monitoring.

RESOLVED:

1. That the strategy is agreed and the use of £11.5m of the total approved SEND Capital Funding of £79.6m be approved in principle for a programme of adaption and refurbishment of SCC owned assets and maintained schools in Phase 3 of the SEND capital programme to create 400 additional specialist school places in Surrey for September 2021.

2. That delegated authority to agree individual projects and resources is given to the Cabinet Member for All Age Learning and Cabinet Member for Resources, subject to a detailed business case for each scheme.

Reason for Decision:

Following the introduction of The Children and Families Act, 2014 and revised SEND Code of Practice in 2015, Surrey has seen the number of Education, Health and Care Plans (EHCPs) increase by between 11-18% each year, resulting in the projected demand for 5,100 specialist school places.

This significant increase in demand for specialist provision has led to a historic over reliance on the independent school sector. Surrey's ambition is to ensure sufficient maintained placement availability for the cohort of children and young people who have SEND and need specialist placements. The recommended Phase 3 SEND capital investment completes the planning for sufficiency of specialist school places in the academic year 2021/22.

[The decisions on this item can be called in by the Children, Families, Lifelong Learning & Culture Select Committee]

16/21 CHILDREN'S IMPROVEMENT UPDATE [Item 13]

The report was introduced by the Cabinet Member for Children, Young People & Families who informed the Cabinet that a new Executive Director for Children Services, Rachael Wardell had been appointed. There had not been any Ofsted monitoring visits for some time due to the pandemic. Ofsted visits re-started in the autumn but Surrey had not been visited as there were no concerns about the council at the moment. A Covid themed monitoring visit would be organised in due course and the Cabinet Member was confident that the new Executive Director for Children Services was the right person to guide Surrey through this as she had done this at her previous local authority. An update was given on the peer review undertaken by East Sussex and Wokingham. The attached report evidences areas of improvements in the service. The Cabinet Member stated that the pandemic would impact improving practice which is fundamental to making things better for families.

The Deputy Cabinet Member for People recognised that a huge amount of work had been done to keep families together as the report shows. The Cabinet Member for Children, Young People & Families was thanked for her work.

RESOLVED:

1. That the challenges presented by the Covid-19 pandemic, the risks highlighted in the report as a result of these challenges and the actions being taken to continue focussing on delivery of frontline services be noted.

2. That a further report is taken to Cabinet in spring 2021 – to include an update on the children's improvement activity and the continued impact of the Covid-19 pandemic and the response from Surrey's children's services.

Reason for decision:

Following the suspension of routine Ofsted inspections in March 2020 due to COVID-19, the HMCI (Her Majesty's Chief Inspector) has now outlined the interim plans for a phased return to routine inspections. Surrey's children's services look forward to hosting Ofsted for a Focussed Visit between January and March 2021 and will welcome feedback on how the local authority has supported children, young people and families throughout the pandemic.

The routine national inspection activity is expected to resume from April 2021; this was re-confirmed following the November/December 'lockdown' with

further detail available on the GOV.UK website. We are anticipating a full re-inspection of Surrey's children's services later in 2021.

[The decisions on this item can be called in by the Children, Families, Lifelong Learning & Culture Select Committee]

17/21 ADMISSION ARRANGEMENTS FOR SURREY'S COMMUNITY AND VOLUNTARY CONTROLLED SCHOOLS AND THE COORDINATED SCHEMES THAT WILL APPLY TO ALL SCHOOLS FOR SEPTEMBER 2022 AND SURREY'S RELEVANT AREA [Item 14]

The Cabinet Member for All-Age Learning explained that Surrey County Council was responsible for setting the admission arrangements for 91 community and voluntary controlled schools for 2022 and the coordinated schemes across education settings. This was an annual process for school admissions but detailed explanation of the considerations around the removal of “nearest school” designation were given and the requirement to respond to a decision on this from the office of the school’s adjudicator. The Cabinet Member for Corporate Support explained that chatbots had been deployed on webpages to advise families on admissions arrangements. The Cabinet Member for All-Age Learning confirmed that the chatbots had been successful and were being assessed for deployment on the school transport webpages.

RESOLVED:

That Cabinet make the following recommendations to the Council on 9 February 2021.

Cabinet recommends that Council:

Recommendation 1
That priority for children who have the school as their ‘nearest school’ is removed for the majority of community and voluntary controlled schools for 2022 admission, as indicated in Enclosure 5.

Reasons for Recommendation

- It will ensure the local authority complies with a decision of the Schools Adjudicator
- It will ensure that the admission arrangements for these schools comply with the School Admissions Code in regard to catchments
- It will simplify the admission arrangements
- It will enable parents to better understand how their application will be considered
- Analysis would indicate that this change will have no or minimal impact on the intake to each of these schools
- It will enable school specific criteria to remain where they already exist to accommodate feeder links
- The final distance criterion will still exist which will enable remaining applicants to be prioritised based on the distance they live from the school, ensuring children who live closer to the school are allocated ahead of children who live further away
- 55% of academies, foundation, trust and voluntary aided schools do not give priority on the basis of ‘nearest school’

Recommendation 2
That a sibling link is introduced for Beauclerc Infant School with Chennestone Primary School for 2022 admission.

Reasons for Recommendation

- There was overall support for this change
- It is supported by the Headteacher and Governing Body of the school
- It would support families with more than one child as families with a sibling at Chennestone School would benefit from sibling priority for a place at Beauclerc Infant School
- It would maximise the opportunity for families to keep children together or at schools with agreed links

Recommendation 3
That a sibling link is introduced for Horley Infant School with Yattendon School for 2022 admission.

Reasons for Recommendation

- There was overall support for this change
- It is supported by the Headteacher and Governing Body of the school
- It would support families with more than one child as families with a sibling at Yattendon School would benefit from sibling priority for a place at Horley Infant School
- This proposal is in line with a separate proposal by the Governing Body of Yattendon School to introduce a reciprocal sibling link with Horley Infant School
- It would maximise the opportunity for families to keep children together or at schools with agreed links

Recommendation 4
That the Published Admission Number for Reception at Onslow Infant School is reduced from 90 to 60 for 2022 admission.

Reasons for Recommendation

- It is supported by the Headteacher and Governing Body of the school, having been requested by them
- There will still be sufficient places for local children if the PAN is decreased
- It would help the school maintain financial viability
- It reflects what is currently being operated within the school
- It will have no impact on children who are currently on roll at the school

Recommendation 5
That the Published Admission Numbers (PANs) for September 2022 for all other community and voluntary controlled schools (excluding Onslow Infant School which is covered by Recommendation 4) are determined as they are set out in Appendix 1 to Enclosure 1.

Reasons for Recommendation

- Most other PANs remain as they were determined for 2021 which enables parents to have some historical benchmark by which to make informed decisions about their school preferences for 2022 admission
- The PAN for William Cobbett School has been increased from 50 to 60 to provide for consistent class sizes of 60 throughout KS2
- The Education Place Planning team supports the PANs

Recommendation 6
That the aspects of Surrey's admission arrangements for community and voluntary controlled schools for September 2022 for which no change has been consulted on, are agreed as set out in Enclosure 1 and its appendices.

Reasons for Recommendation

- The admission arrangements are working well
- Surrey has undertaken to review the admission arrangements for the remaining eight schools which will still use 'nearest school' ahead of any consultation on the arrangements for 2023
- The arrangements enable the majority of pupils to attend their nearest schools and in doing so reduce travel and support Surrey's sustainability policies - this is still anticipated to be the case for 2022 admission, even with the changes proposed in Recommendations 1 to 5
- The change highlighted in bold in Section 12 of Enclosure 1 has been made to add clarity to the arrangements and reflects existing practice

Recommendation 7
That the primary and secondary coordinated admission schemes that will apply to all schools for 2022 are agreed as set out in Enclosure 2.

Reasons for Recommendation

- The coordinated schemes for 2022 are essentially the same as 2021 with dates updated
- The coordinated schemes will enable the County Council to meet its statutory duties regarding school admissions
- The coordinated schemes are working well

Recommendation 8
That Surrey's Relevant Area is agreed as set out in Enclosure 3.

Reasons for Recommendation

- The local authority is required by law to define the Relevant Area for admissions
- The Relevant Area must be consulted upon and agreed every two years even if no changes are proposed
- Setting a Relevant Area ensures that any schools who might be affected by changes to the admission arrangements for other local schools will be made aware of those changes
- No change has been made to Surrey's Relevant Area since it was last determined in February 2019

18/21 SURREY FLOOD ALLEVIATION PROGRAMME - JOINT APPLICANT FOR THE RIVER THAMES SCHEME DEVELOPMENT CONSENT ORDER [Item 15]

The report was introduced by the Deputy Leader on behalf of the Cabinet Member for Environment and Climate Change. In October 2019, Cabinet approved investment of £270m to deliver the objectives of Surreys Local Flood Risk Management Strategy. This includes a financial contribution of £237M to the River Thames Scheme (RTS). The benefits of the scheme are not only to protect the homes of the residents that live adjacent to the River Thames, but many Surrey rivers flow into the Thames, so this scheme would benefit many residents throughout Surrey. With the size of the councils

investment in this significant piece of infrastructure, it was vital that the council play a leading role in the schemes design and construction. On 24 December 2020, the Secretary of State gave direction that the RTS would be considered as a Nationally Significant Infrastructure Project and could therefore apply for a Development Consent Order (DCO) under the Planning Act 2008.

Members recognised the vast amount of work that had been undertaken by the Cabinet Member and the Flood team with this scheme. The fact that this scheme was now being recognised as a Nationally Significant Infrastructure Project was a great achievement. Residents impacted by flooding were delighted with the news of progress with the scheme.

RESOLVED:

1. That Surrey County Council becoming Joint Applicant with the Environment Agency in obtaining the Development Consent Order for the River Thames Scheme under the Planning Act 2008 subject to a legal agreement setting out the governance and financial arrangements be approved.

2. That Surrey County Council entering into negotiations for a legal agreement with the Environment Agency to include the governance and financial arrangements, how risk will be managed and how disputes will be resolved be approved.

3. That the approval of the separation of responsibilities for SCC's role as both applicant and host authority be delegated to the Executive Director for Environment, Transport and Infrastructure in consultation with the Planning Group Manager.

4. That the approval of a Service Level Agreement setting out the requirements and expected levels of service between SCC as Host Authority be delegated to the Planning Group Manager.

Reason for Decision:

It is recommended that Cabinet approves Surrey County Council becoming Joint Applicant for the River Thames Scheme alongside the Environment Agency, to enable influence over the programme, process, design, assurance and delivery, to ensure it represents the best interests of the County.

As Joint Applicant, Surrey County Council would be legally responsible for ensuring the process set out in the Planning Act 2008 is followed from pre-application through to the completion of the project and that works are carried out in accordance with the Development Consent Order.

Officers are confident that being Joint Applicant would be at no extra cost to Surrey County Council as the project funding, including the approved £237 million contribution, will cover costs including resourcing. A Service Level Agreement is also being developed that would cover any additional costs incurred by Surrey County Council acting as Host Authority.

Surrey County Council is in a strong position to take on the role of Joint Applicant on this strategically important project which aligns with the Councils desire to take more of a leadership role in delivering infrastructure. There are

several risks in this approach and would need to be kept entirely separate from SCC's role as a host authority. However, there is already a positive and collaborative relationship with the Environment Agency, and we are ready to mobilise the required resources to drive the River Thames Scheme forward. It will also send a strong message to residents and Government that the scheme is being delivered though a true partnership between the two organisations.

[The decisions on this item can be called in by the Communities, Environment and Highways Select Committee]

19/21 FARNHAM INFRASTRUCTURE PROGRAMME [Item 16]

The report was introduced by the Leader who explained that Farnham had been plagued by congestion and air pollution. The Farnham Infrastructure board was set up last year which has had great co-operation between Surrey County Council, Waverley Borough Council, Farnham Town Council and the local MP Jeremy Hunt. Work around a vision statement concluded last year and had input and feedback from residents, this informed the Optimised Infrastructure Plan for the town. Some 'quick wins' in the delivery of the plan would be sought and were included in paragraph 4 of the report. The Leader explained the 'quick wins' and longer term initiatives to the Cabinet.

The Deputy Leader thanked all parties involved for pushing the programme forward and showing a commitment to local delivery.

RESOLVED:

1. That the Farnham Infrastructure Programme and progress to date be noted.

2. That the decision to move £2.5m for the Quick Wins (project 1) is approved and the ongoing feasibility work from the capital pipeline to the capital budget be delegated to the Capital Programme Panel.

3. That the continued development of the Farnham Infrastructure Programme be noted with further reports brought back to Cabinet for projects 2 (Town Centre), 3 (A31 Hickleys Corner) and 4 (A325 Wrecclesham Relief Road) as more detailed business cases are developed.

4. That the highway schemes associated with Project 1 'Quick Wins' is agreed and progressed through consultation (statutory or otherwise) and responsibility to resolve objections and decide whether to implement the proposals is delegated to the Executive Director for Environment, Transport and Infrastructure in consultation with the Deputy Leader.

Reason for Decision:

The recommendations will enable the Farnham Infrastructure Programme to be developed to provide an exemplar future transport model for similar towns within Surrey by providing the necessary funding to continue development and implementation.

The capital programme (part of the 2021-26 Medium Term Financial Strategy) includes provision for future investment in Farnham over the next five years. Subject to Capital Programme Panel (CPP) approving a business case, £2.5m will be moved from the capital pipeline to the capital budget to allow the Quick Wins and further feasibility work to progress in 2021/22. As further schemes are developed and business cases approved in respect of projects 2-4, funding will be moved from the capital pipeline to the capital budget to allow works to commence.

The approval to advertise Traffic Regulation Orders would normally be sought from the Waverley Local Committee. Due to the timing of meetings Quick Wins (project 1) could be delayed if delegated approval is not sought now from Cabinet.

[The decisions on this item can be called in by the Communities, Environment and Highways Select Committee]

20/21 DISPOSAL OF COUNTY HALL CAMPUS, PENRHYN ROAD, ROYAL BOROUGH OF KINGSTON UPON THAMES [Item 17]

The Cabinet Member for Resources explained that the County Hall site in Kingston upon Thames had been marketed independently and a conditional offer for its purchase had been accepted. Details of the transaction are contained in Part 2 of the report. The contract also includes a 20 year revenue planning over reach clause. There was an amendment to recommendation 3 of the report which was agreed by the Cabinet. The Leader explained that the paper delivers on the commitment to relocate the council back into the county.

RESOLVED:

1. That the sale of land and buildings as outlined on the attached plan within Annex 1 (Marketing pack) on a unconditional basis - further details included within the Part 2 Paper be authorised.

2. That the separate marketing and subsequent disposal of the freehold and long underlease from the Royal Borough of Kingston upon Thames of the Bittoms car park on an existing use basis be approved.

3. That delegated authority be granted to the Leader and Cabinet Member for Resources, in consultation with the Executive Director of Resources and the Director of Land & Property to authorise a future disposal of the Bittoms Car park based upon Best Consideration being obtained following a Marketing exercise or Special Purchaser interest.

Reason for Decision:

By approving these recommendations Surrey County Council (SCC) will be able to fulfil the long-term commitment to move its Civic Heart to within the County of Surrey

The disposal will deliver a significant capital receipt for SCC whilst delivering revenue savings from ongoing running costs and maintenance liabilities associated with a Grade II listed building.

[The decisions on this item can be called in by the Resources & Performance Select Committee]

21/21 AGILE OFFICE ESTATE STRATEGY [Item 18]

The Cabinet Member for Resources introduced the report explaining that there was urgent need for restructuring the corporate office estate which is outlined via a new Agile Office Estate Strategy. The Strategy aligns with the councils greener future strategy. The following benefits would be targeted through the work of the strategy, some of these include reducing overall office space by 60%, Carbon emissions to fall from 2,600 tonnes per annum to net zero by 2030, reduce overall spend on the office estate by c£3m per annum, progress the strategy of the one public estate and provide for four office hubs located in each quadrant in the county.

The Deputy Leader commented that the report displays the councils commitment to move back into Surrey and commitment to improving its environmental agenda. The four hubs placed around the county would reduce travel time and therefore impact positively on our environmental agenda. The Leader stated that it was important the council pushes forward the rationalisation of its property and aim to make the county carbon neutral by 2030.

RESOLVED:

1. That the outline Agile Office Estate Strategy, overall direction of travel and its proposal to develop an associated Agile Office Estate Programme be agreed.

2. That an allocation of £300k programme budget funding for dedicated external resources required to develop programme detail including a full Programme Business Case be agreed.

3. That a finalised Strategy and Programme Business Case seeking approval of required resources to deliver the full programme be produced by Q2 2021.

Reason for Decision:

The County Council's office estate has evolved over time with some but not a completely coordinated approach. This has brought about a situation where the current corporate office estate is no longer fit for purpose and subject to several weaknesses. The most striking example of many of these characteristics is County Hall, which has been outside of the County boundaries since 1965.

Specifically, the current corporate office estate is:

- of generally low quality, that does not efficiently support the adoption of Agile modern working practices.
- expensive compared to industry benchmarks and expensive to maintain.
- high in its carbon output with poor energy efficiency.
- relatively poorly located and under-utilised.

This Agile Office Estate strategy proposes to address these issues by adopting a strategically led approach to transforming the County Council's corporate office estate.

Using the move out of County Hall as a catalyst and embracing the principles of the One Public Estate, while recognising that the impact of Covid has created a major step change in the way the organisation operates. The following benefits will be targeted through the work of the strategy:

- Reduce overall spend on the office estate by c£3m per annum.
- Reduce overall space from c50,000m2 to c20,000m2.
- All offices to be within County.
- Carbon emissions to fall from 2,600 tonnes per annum to net zero by 2030.

Key strategic public sector partners will be engaged to identify collaborative opportunities to enable closer and more effective working across organisations as well as delivering financial efficiencies across the public sector in Surrey.

[The decisions on this item can be called in by the Resources and Performance Select Committee]

22/21 2020/21 MONTH 8 (NOVEMBER) FINANCIAL REPORT [Item 19]

The report introduced by the Cabinet Member for Resources and provides details of the County Council's 2020/21 financial position as at Month 8 (M8) 30 November 2020 for revenue and capital budgets and the projected outlook for the financial year. As at November 2020 (M8); the Council was forecasting a full-year £3.4m deficit, a small improvement of £0.2m from the previous month. Work continues to identify further efficiencies to close the deficit against the budget. Reforecasting of the impact of Covid-19 will continue at M9 and further budget resets may be required. Further details were given of the revenue and capital budget positions for the year.

RESOLVED:

1. That the Council's forecast revenue and capital budget positions for the year be noted.

Reason for Decision:

This report is to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval of any necessary actions.

[The decisions on this item can be called in by the Resources and Performance Select Committee]

23/21 EXCLUSION OF THE PUBLIC [Item 20]

RESOLVED: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of

exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

24/21 DISPOSAL OF COUNTY HALL CAMPUS, PENRHYN ROAD, ROYAL BOROUGH OF KINGSTON UPON THAMES [Item 21]

The Cabinet Member for Resources introduced a Part 2 report that contained information which was exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

RESOLVED:

1. That the sale of land and buildings as outlined on the attached plan in Annex 1 to [E-2-21] through a [E-2-21] on an unconditional basis (subject to contract) as set out within the Heads of Terms Annex 2 is authorised.

Reason for Decision:

See Minute 20/21

[The decisions on this item can be called in by the Resources and Performance Select Committee]

25/21 PROPERTY DISPOSAL [Item 22]

The Cabinet Member for Resources introduced a Part 2 report that contained information which was exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

RESOLVED:

1. That the sale of the [E-3-21] site as outlined in red on the attached plan at Annex 1, extending to 1.97 ha (4.87 acres) to [E-3-21] on an unconditional basis as set out in the report, for a consideration of [E-3-21] is authorised.

2. That delegated authority be given to the Director of Land & Property, in consultation with the Cabinet Member for Resources to agree a 10% variation in the agreed sale price to reflect possible changes and circumstances as a result of the ongoing due diligence process.

Reason for Decision:

The property is no longer considered suited to ongoing service delivery, nor capable of generating significant income. The capital receipt from the sale will contribute to the funding sources available to the council in support of its delivery of its capital programme, specifically, as outlined below, to reimburse the cost of the [E-3-21].

[The decisions on this item can be called in by the Resources and Performance Select Committee]

26/21 PUBLICITY FOR PART 2 ITEMS [Item 23]

It was agreed that non-exempt information may be made available to the press and public, where appropriate.

Meeting closed at 16:44

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Chairman

430

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